

## Susan Arland

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**From:** montyharmon@juno.com  
**Sent:** Monday, August 15, 2005 3:00 AM  
**To:** Susan Arland  
**Subject:** Rules team items  
**Attachments:** Petition for New Section defining cash 230-02-xxx.doc; WAC 230 30 070 amended.doc; WAC 230-30-070 Petition for Adoption rule changeOFM 01.doc; Definition of Cash and Cash Equivalents Petition for Adoption rule changeOFM 01.doc

Dear Susan,

Welcome back, hope you enjoyed the day off on Friday.

I humbly request that the attached rule petitions be added to the rules team agenda if possible. The issue at hand is the January 1 effective date and a desire to have these discussed by the rules team so that they might be discussed for possible filing at the September commission meeting.

One is for a definition of cash to include debit cards. this is related to the issue the gaming lab is having with defining cash paid in prizes to include an increase to a players card as I am lead to believe is currently in use at the Buzz Inn in Everett.

The second rule has to do with eliminating the need to regulate marking off the flare. With less agents in the field and Washington being one of the only states that requires this, I was hoping the time was right to eliminate this requirement and eliminate the waste of unused pull tabs due to players not playing a series where several prizes have been removed from the flare.

Please give me a call if necessary and thanks for anything that can be done to see if these rules could to to the commission in September. I will be in Pasco if that helps.

All the best, monty 360-888-8861

8/15/2005



**PETITION FOR ADOPTION, AMENDMENT, OR REPEAL  
OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)**

The Office of Financial Management (OFM) has adopted this form for members of the public who wish to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request.

To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437.

Please complete the following:

PETITIONER'S NAME (PLEASE PRINT) Harmon Consulting Inc.		TELEPHONE NUMBER (INCLUDE AREA CODE) (360) 888-8861		
STREET ADDRESS 1732 Camden Pl SW	PO BOX NUMBER	CITY Olympia	STATE WA	ZIP CODE 98512
AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE, IF KNOWN Washington State Gambling Commission		If unknown, call (360) 753-7470 for mailing information		

Please submit completed and signed form to the "**Rules Coordinator**" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☒ **1. NEW: I am requesting that a new WAC be developed**

**I believe a new rule should be developed.**

☒ The subject of this rule is: Definition of Cash.

☒ The rule will affect the following people: Gambling Commission staff, licensees, and players.

☒ The need for the rule is: Related to modernizing the industry to take advantage of current security benefits of debit cards and other forms of prepaid cashless systems and guest cards.

☐ **2. AMEND: I am requesting a change to existing WAC \_\_\_\_\_.**

☐ **3. REPEAL: I am requesting existing WAC \_\_\_\_\_ be removed.**

**I believe this rule should be changed or repealed because (check one or more):**

- ☐ It does not do what it was intended to do.
- ☐ It imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☐ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known
- ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known
- ☐ Other (please explain):

PETITIONER'S SIGNATURE

DATE

**New Section: WAC 230-02-xxx**

**Cash Defined.** “Cash” is any currency, check, or debit card transaction valued in terms of the US dollar. For purposes of these rules, Canadian currency shall be converted in accordance with the published exchange rates for financial reporting purposes but may be recorded in terms of Canadian or US dollars as long as the records clearly identify the currency used.

In addition, licensees with accounting systems approved by the Gambling Commission may use transactions on “guest cards” and other “cashless” systems as cash transactions for purposes of conducting their business and gambling operations. The systems can not be used for credit transactions and would operate in the same manner as a debit card. Customer purchases would reduce their account balance and their winnings could be added to their balance. Licensees using a “guest card” or “cashless” system must maintain the system so that customer balances could never go below a zero balance even for non gambling purchases or transactions.



# PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)

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Please submit completed and signed form to the "Rules Coordinator" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☐ 1. NEW: I am requesting that a new WAC be developed

I believe a new rule should be developed.

- ☐ The subject of this rule is:
- ☐ The rule will affect the following people:
- ☐ The need for the rule is:

☒ 2. AMEND: I am requesting a change to existing WAC 230-30-070

☐ 3. REPEAL: I am requesting existing WAC be removed.

I believe this rule should be changed or repealed because (check one or more):

- ☐ It does not do what it was intended to do.
- ☐ It imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☐ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known
- ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known

☒ Other (please explain): Washington State is one of a few if not the only state that requires operators to remove references to prizes on the flares of punchboard and pull tab series when won. This requirement has lead to waste of domestic resources because two-thirds or more of the tickets in series played are discarded without being used. The unused tabs cause storage, disposal, and are considered a fire hazard. If the flares were not marked off, players would play the series more completely reducing the number of tickets not used and the volume of paper being discarded from the operation of pull tabs in Washington state. State regulators could stop monitoring the accuracy of flares and the public threat of being deceived would be reduced because a flare was not properly marked off.

PETITIONER'S SIGNATURE

DATE

**WAC 230-30-070 Control of prizes -- Restrictions -- Bonus prizes -- Displaying -- Procedures for awarding.** Punch board and pull-tab prizes shall be closely controlled to ensure players are not defrauded.

(1) All prizes from the operation of punch boards and pull-tabs shall be awarded in cash or in merchandise.

No licensee shall offer to pay cash in lieu of merchandise prizes which may be won.

(2) Additional chances on a punch board or pull-tab game may not be awarded as a prize. Provided, That prizes may involve the opportunity to advance and win a larger prize on the same punch board or pull-tab game as set forth in subsection (4) of this section.

(3) A bonus prize is a prize offered in a bonus pull-tab game, defined in WAC 230-30-040(1). A step-up prize is a prize offered on a punch board. The awarding of these prizes involves an immediate, additional opportunity to advance to a section of the game to determine the prize.

(4) On games where players advance, the bonus or step-up prizes may not be less than the highest prize available, which might otherwise have been won by the punch or pull-tab for which the opportunity was awarded. Each punch board or pull-tab game offering bonus or step-up prizes must clearly indicate on its flare the terms and conditions under which the bonus or step-up prize may be won, including the amount of the bonus or step-up prize.

(5) The licensee shall display prizes so that a customer can easily determine which prizes were available for any particular punch board or pull-tab series or device operated or located upon the premises. In addition, the following requirements apply.

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(a) Merchandise prizes shall be displayed when a series is placed into play as follows:

(i) In the immediate vicinity of the punch board or pull-tab series and in plain view: Provided, That games that offer merchandise prizes that are "surprises" may be wrapped in some way so players are unable to identify what the prize is until opened;

(ii) If size or space constraints do not allow the prize to be displayed as provided in (a)(i) of this subsection, the merchandise prize may be displayed elsewhere on the premises provided that a specific reference to that actual prize is noted on the flare; or

(iii) If the merchandise prize cannot be displayed on the premises, an accurate description and/or photograph of the prize must be displayed in plain view on or immediately adjacent to the flare.

(b) Cash prizes available when the series is placed into play shall be clearly represented on the prize flare;

(c) Combination cash and merchandise prizes must meet the requirements of both (a) and (b) of this subsection;

(6) Upon determination of a winner of a merchandise prize, the licensee shall immediately verify the validity of the winning ticket, record any winner information required, and present the prize to the winner upon demand;

**Deleted:** The following procedures apply to the removal of prizes from the game flare and the presentation of prizes to winning players:

(a)

**Deleted:** remove that prize from the flare and

(7) Record of winners. When any person wins a cash prize of over twenty dollars or wins a merchandise prize with a retail value of more than twenty dollars from the play of any punch board or pull-tab series, the licensee or licensee's representative shall make a record of the win. The record of the win shall be made in the following manner:

**Deleted:** (b) Upon determination of a winner of any cash prize over twenty dollars, or of any merchandise prize with a retail value over twenty dollars, the licensee shall permanently and conspicuously delete all references to that prize from any flare, punch board, or pull-tab dispensing device upon which such reference may appear, and from any other list, sign, or notice which may be posted, in such a manner that all future customers will know the prize is no longer available. On step-up punch boards and bonus pull-tab games, once all opportunities in a section of the flare have been won, all references to prizes no longer available to be won must be deleted on the flare. Operators may correct an inadvertently deleted prize by noting on the flare that such prize is still available. Such reference shall be permanently and conspicuously deleted when the prize is actually awarded. Failure to permanently and conspicuously delete a prize from the flare may result in the director initiating actions to revoke a license for violation of RCW 9.46.190 (defrauding a participant). The prize shall be paid or delivered to the winner only after all reference to such prize has been deleted from the flare.

(a) The winners shall be required to print their name and date of birth, in ink, upon the side of the winning punch or tab opposite the winning symbol(s);

(b) The licensee or their representative shall then verify the winner's identity and record the date and initial the winning punch or tab; and

(c) If the pull-tab or punch is constructed or printed in such a manner as to preclude recording the information required in (a) and (b) of this subsection in a legible manner, the licensee may record the required information on a sheet of paper not less than three inches by five inches and staple the winning tab or punch thereto.

(8) Defacing winning punches or tabs. The licensee shall, within twenty-four hours after a winning pull-tab or punch worth more than twenty dollars has been presented for payment, mark or perforate the winning symbols in such a manner that the pull-tab or punch cannot be presented again for payment.

(9) Spindle, banded, or "jar" type pull-tabs played in a manner which awards merchandise prizes only. Pull-tab series which award only merchandise prizes valued at no more than twenty dollars, are hereby permitted to employ schemes whereby certain predesignated pull-tabs are free or the player is otherwise reimbursed the actual cost of said pull-tabs. Flares for spindle-type pull-tabs operated in this manner shall designate the total number of pull-tabs in the series and the total number of pull-tabs designated as free or reimbursable. Free or reimbursable pull-tabs in these types of pull-tab series shall not constitute a prize or prizes nor shall moneys collected and later reimbursed constitute revenue for the purposes of determining gross gambling receipts.

(7) Payment of prizes. The licensee must pay or award to the customer or player playing the punch board or pull-tab series all such prizes that are required to be, but have not been, deleted from the flare when the punch board or pull-tab series is completely played out.

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